



2021

BUDGET Presentation

Investing in Chatham Township
for Today and Tomorrow

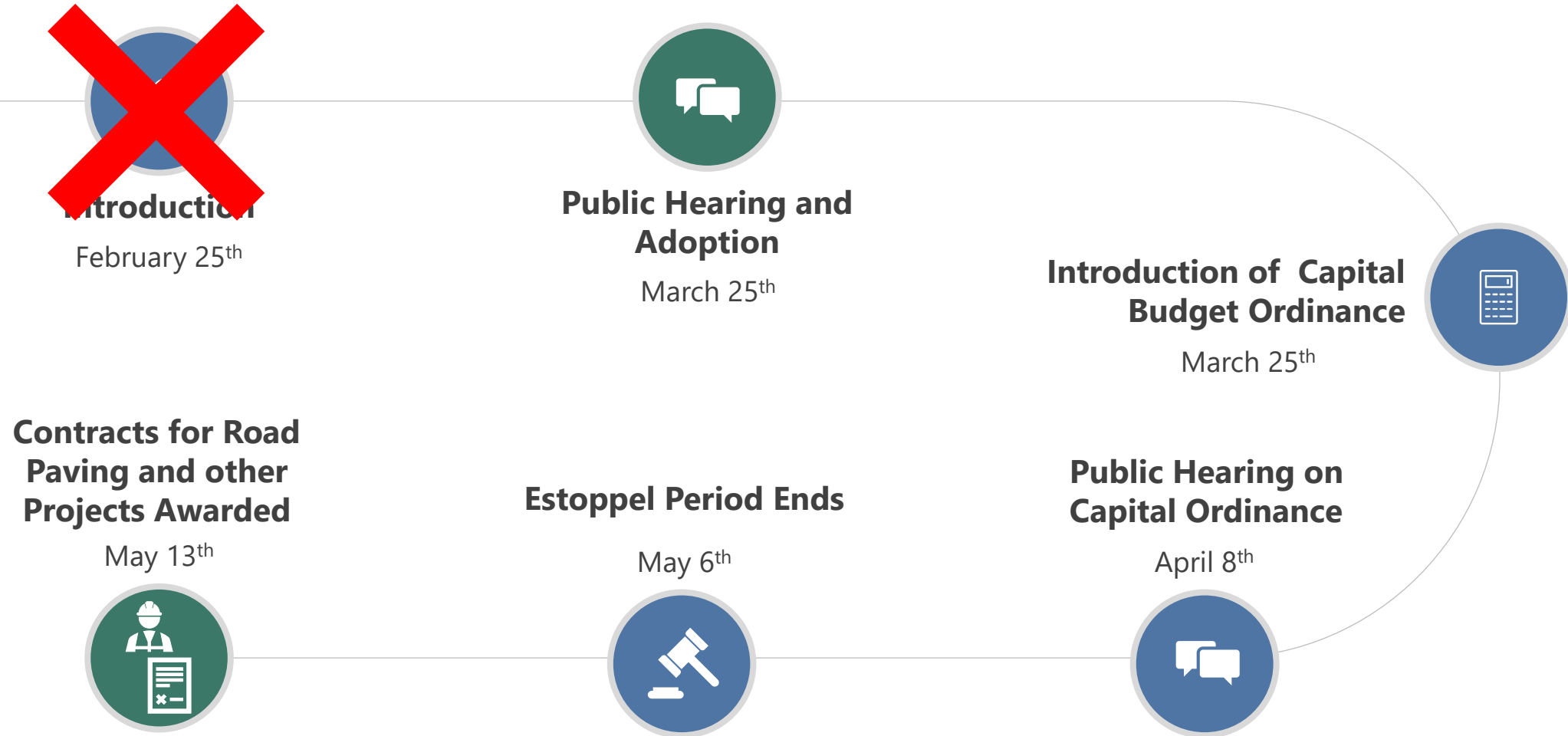
Thursday, March 25, 2021
Robert S. Hoffmann
Township Administrator



Investing in Chatham Township



Budget Schedule and Adoption Process



Chatham Township Tax Bill Breakdown



What Do You Get?

An average home valued at \$833,000, received a property tax bill of \$16,106. The municipal portion of this tax bill is \$3,116. For this amount, the residents of that home will receive the following services & programs:

Municipal Services

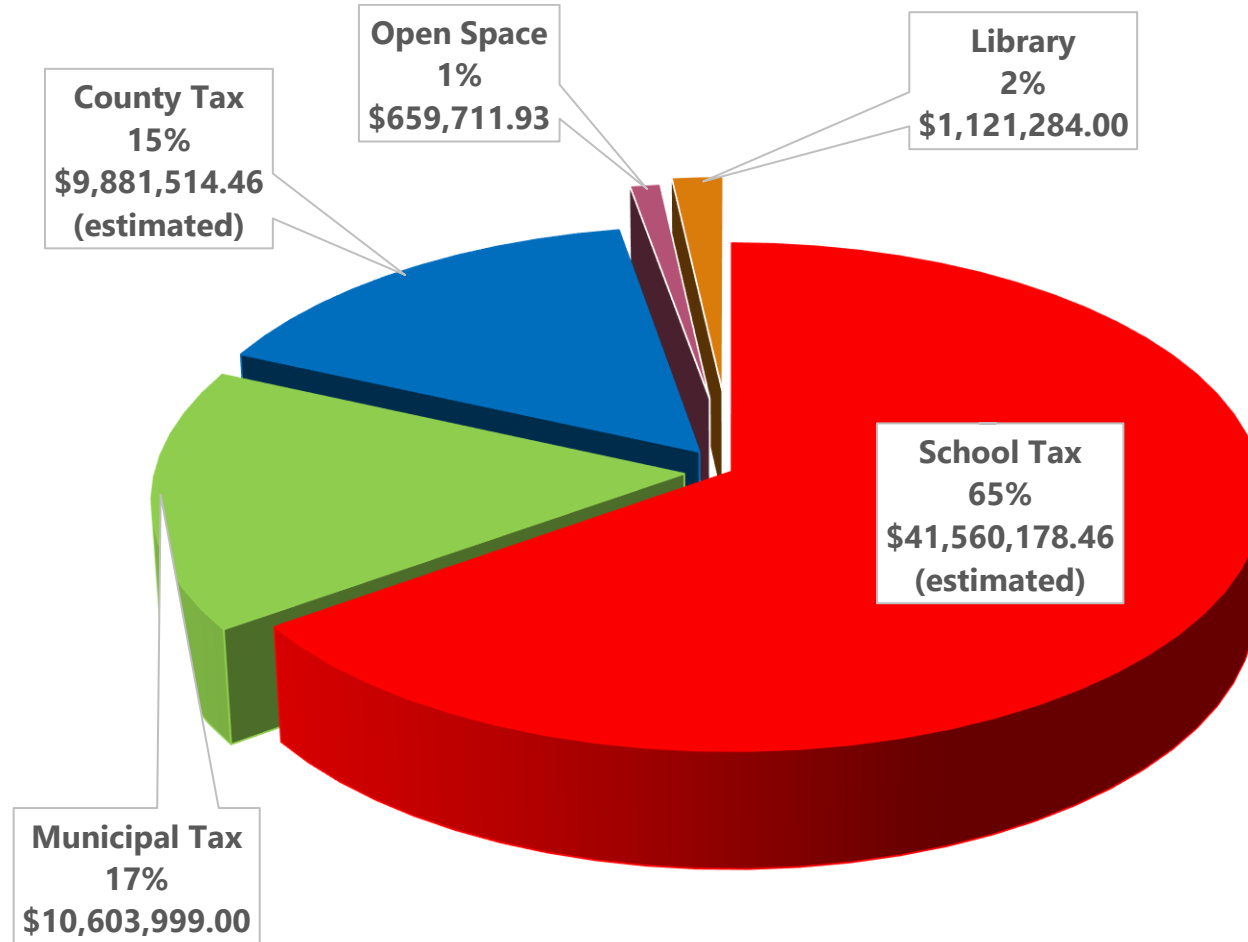
- Recycling Pickup
- Road Plowing & Maintenance
- Recreation & Parks Maintenance
- Library
- Police Department & Crossing Guards
- Emergency Services
- Fire Safety
- Sewage Treatment
- Health Department
- Administration/Elections/Records
- Construction/Planning/Zoning
- Senior Center

Capital

- Road Maintenance & Reconstruction
- Sewage & Storm Water Systems
- Parks & Recreation Fields
- Colony Pool & Tennis
- Facilities & Buildings
- Fire Trucks & Large Apparatus
- Public Works Equipment & Vehicles
- Affordable Housing

**Investing in Chatham Township
for Today and Tomorrow**

Chatham Township Tax Bill Breakdown



Library Budget

Township: 53.95% of the budget.

(\$1,121,284.00)

Borough: 46.05% of the budget.

(\$957,092.00)



Surplus/Fund Balance

“Chatham Township’s credit position is outstanding, and its AAA rating far surpasses the median rating of AA3 for cities nationwide.” –Moody’s Issuer Comment, October 30, 2020

	2021	2020	2019	2018
Available	\$ 3,678,590.44	\$ 3,548,483.96	\$ 4,341,973.86	\$ 3,973,188.27
Used to Fund Budget	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,500,000.00	\$ 3,000,000.00
Remaining Balance	\$ 678,590.44	\$ 548,483.96	\$ 841,973.86	\$ 973,188.27

- New Jersey Accounting Statutes require the Township to conservatively budget revenues and expenses. **Strong fund balances are one of the most important factors that rating agencies consider. Chatham’s AAA credit rating keeps our borrowing costs down.**

Open Space Revenue



Eliminating Open Space Debt

- 5 year interest on BAN's: \$ 26,867.10
- 5 year interest earned in bank: \$4,305.61

By 2022 saves \$22,561.49.

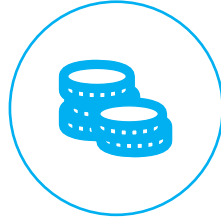
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Bond Ord# 2017-12	BAN Balance
	\$1,074,683.00
Green Acres Grant applied	\$467,252.75
	\$607,430.25

Total Appropriations: \$16,973,537.76



**Statutory Reserve for
Uncollected Taxes
(RUT):
\$1,276,533.00**



**Capital Improvements
(5% Down Payment):
\$167,450.00**



Out of CAP: \$1,472,171.76

- Library, Grants



**In CAP: \$12,478,663.00
(can only increase 2% annually)**

- What We Manage on a Day to Day Basis.

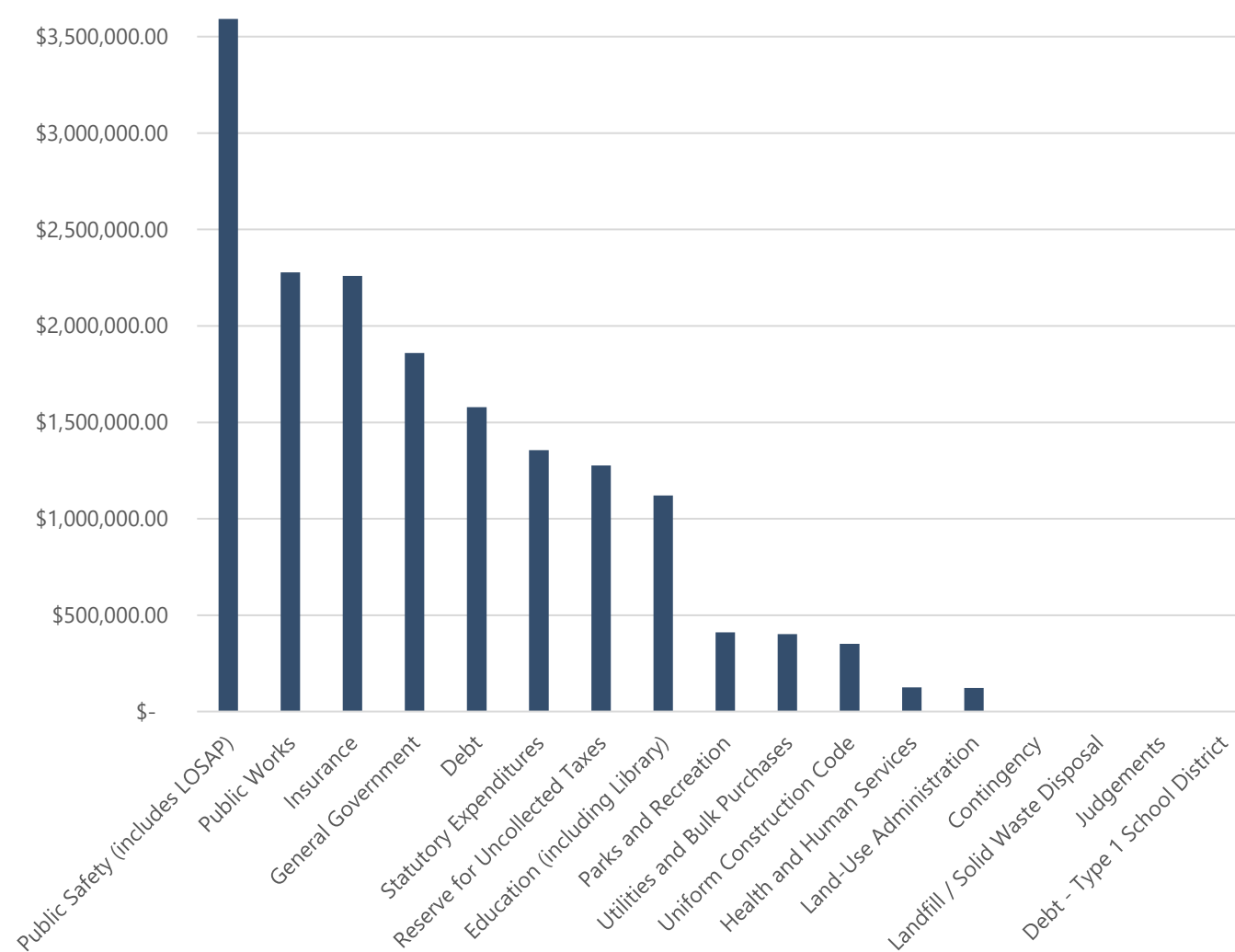


**Debt Service:
\$1,578,720.00**

- Principle: \$1,318,515.00
- Interest: \$260,205.00



2021 Department Appropriations



	2021
Public Safety (includes LOSAP)	\$ 3,591,600.00
Public Works	\$ 2,277,500.00
Insurance	\$ 2,259,000.00
General Government	\$ 1,860,287.76
Debt	\$ 1,578,720.00
Statutory Expenditures	\$ 1,356,163.00
Reserve for Uncollected Taxes	\$ 1,276,533.00
Education (including Library)	\$ 1,121,284.00
Parks and Recreation	\$ 410,500.00
Utilities and Bulk Purchases	\$ 402,000.00
Uniform Construction Code	\$ 351,000.00
Capital	\$ 167,450.00
Health and Human Services	\$ 125,500.00
Land-Use Administration	\$ 123,000.00
Court and Public Defender	\$ 70,000.00
Unclassified	\$ 2,500.00
Contingency	\$ 500.00
Landfill / Solid Waste Disposal	\$ -
Judgments	\$ -
Shared Services	\$ -
Deferred Charges	\$ -
Debt - Type 1 School District	\$ -
Surplus General Budget	\$ -
TOTAL	\$ 16,973,537.76

2018-2021 Appropriations Summary



	2021	2020	2019	2018
Public Safety (includes LOSAP)	\$ 3,591,600.00	\$ 3,493,600.00	\$ 3,472,000.00	\$ 3,338,000.00
Public Works	\$ 2,277,500.00	\$ 2,272,250.00	\$ 2,260,250.00	\$ 2,313,000.00
Insurance	\$ 2,259,000.00	\$ 2,258,000.00	\$ 2,258,000.00	\$ 2,260,150.00
General Government	\$ 1,860,287.76	\$ 2,112,500.16	\$ 1,235,310.20	\$ 1,549,598.43
Debt	\$ 1,578,720.00	\$ 1,422,351.24	\$ 1,201,041.00	\$ 1,065,542.00
Statutory Expenditures	\$ 1,356,163.00	\$ 1,306,745.00	\$ 1,261,806.00	\$ 1,163,639.00
Reserve for Uncollected Taxes	\$ 1,276,533.00	\$ 1,238,000.00	\$ 1,508,110.00	\$ 1,579,604.91
Education (including Library)	\$ 1,121,284.00	\$ 1,125,285.50	\$ 1,205,263.20	\$ 1,086,073.00
Parks and Recreation	\$ 410,500.00	\$ 375,500.00	\$ 375,500.00	\$ 375,500.00
Utilities and Bulk Purchases	\$ 402,000.00	\$ 384,000.00	\$ 384,000.00	\$ 378,500.00
Uniform Construction Code	\$ 351,000.00	\$ 361,000.00	\$ 355,000.00	\$ 360,000.00
Capital	\$ 167,450.00	\$ 212,500.00	\$ 92,500.00	\$ 10,000.00
Health and Human Services	\$ 125,500.00	\$ 140,500.00	\$ 140,000.00	\$ 145,400.00
Land-Use Administration	\$ 123,000.00	\$ 150,050.00	\$ 114,000.00	\$ 187,000.00
Court and Public Defender	\$ 70,000.00	\$ 70,000.00	\$ 88,000.00	\$ 73,000.00
Unclassified	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
Contingency	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
Landfill / Solid Waste Disposal	\$ -	\$ -	\$ -	\$ -
Judgments	\$ -	\$ -	\$ -	\$ -
Shared Services	\$ -	\$ -	\$ -	\$ -
Deferred Charges	\$ -	\$ -	\$ -	\$ -
Debt - Type 1 School District	\$ -	\$ -	\$ -	\$ -
Surplus General Budget	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 16,973,537.76	\$ 16,925,281.90	\$ 15,953,780.40	\$ 15,888,007.34



4 Year Capital Plan Summary (2018-2021)

What Does the Capital Budget Include?

- Purchase of Equipment
 - DPW, Police, Fire Department, WPC, Administration
- Improvements
 - Road (Paving, etc.)
 - Recreation & Colony Pool
 - Building Repairs & Upgrades
- Affordable Housing



\$835,000

2018



\$2,150,000

2019



\$6,270,000*

*Amended

75% Affordable Housing
25% Other Improvements/Projects

2020



\$3,549,000

70%-Affordable Housing
30% Other Improvements/Purchases

2021

Grants



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PSEG

Energy Efficiency
Improvements
(70% funded by
PSEG and 30%
funded by Township).

\$233,919.93

LGEF Grants

COVID-19 related grant
awarded to the
Township by the NJ
Department of
Community Affairs
(DCA).

\$107,457.00

LEAP

Applied for shared
services grant to
improve services
available to Township
taxpayers.

\$150,000.00

Roads

Noe Avenue
Road Paving

\$162,000.00

Grants

Grants (continued)

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Other Grant Funded Projects

- Police Body Armor: \$1,789.00
- Shunpike Sidewalk: \$109,499.00
- Lafayette SRTS: \$122,633.00
- Hilltop Walking Trail (2020): \$119,000.00

\$514,918.00

Grants

Cost Savings



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PSEG

Energy
Efficiencies
Savings

\$28,283.00

Energy

Energy-Electric
Kilowatt

\$48,174.97

Streetlights

Electric Kilowatt

\$1,773.74

Phone

New Phone
System

\$25,000.00

202



2021 Key Points: Municipal Tax Rate including Open Space is 0.341.



Tax Rate Increase

- 2.7 cents over 2020.
- This equates to a \$216.58 increase on the average assessed home.

Municipal tax increase drivers include:

- 1 cent-Open Space Tax (from 1 cent to 2 cents).
 - 0.5 cent-Structured Debt Service Payments.
 - 0.58 cent-Direct Employee Costs (includes contracted salary increases, pensions).
 - 0.3 cent-Loss of revenue from Colony Pool, Municipal Court, and interest on deposits.
 - 0.5 cent Affordable Housing-FLAT.
- This increase was minimized through savings achieved by implementing:
 - Shared Services Contracts
 - Renegotiated or Rebid service agreements for:
 - Recycling, phone service.
 - Multi-year energy purchases.
 - Grant funding for needed improvements.



No Change in Services

KEEP THE FOLLOWING IN MIND:

- Implement our Round 3 Affordable Housing Obligations.
 - 0.5 cent in 2020 & 0.5 cent in 2021.
- Pay down debt obligation.
- Maintain Municipal Fund Balance.

How Your 2021 Dollar is Spent



School
65%
\$41,560,178.46

County
15%
\$9,881,514.46

Township
17%
\$10,603,999.00



The Board of Education passed a budget on 3/22/2021 that totaled \$80,911,447.

Library
2%
\$1,121,284

Open Space
1%
\$659,711.93

American Rescue Plan Act of 2021 Stimulus Package



Chatham Township is eligible to receive \$993,815.

Half of the funds will be received in 2021. The other half will be distributed in 2022 if eligible.





Questions?